

02-02-1900 12:02PM FROM

12022045001 P.01



DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220

September 19, 2006

Bernard von NotHaus
225 N. Stockwell Road
Evansville, IN 47715

Dear Sir/Madam,

In response to numerous inquiries received by the United States Mint and the United States Department of Justice, the United States Mint has issued a public statement on "Liberty Dollar" medallions produced, sold, and sponsored by the National Organization for the Repeal of the Federal Reserve Act and Internal Revenue Code (NORFED). The statement explains that these medallions are not backed by, or affiliated with, the United States Government, and that prosecutors with the Department of Justice have determined their use as circulating money is a Federal crime. This statement appears at the following URL: <http://www.usmint.gov/consumer/index.cfm?action=HotItems>

By statute (31 U.S.C. § 5112), Congress specifies the coins that the Secretary of the Treasury is authorized to mint and issue and requires the Secretary to carry out these duties at the United States Mint (31 U.S.C. § 5131). Accordingly, the United States Mint is the only entity in the United States with the lawful authority to mint and issue legal tender United States coins.

Under Federal law (18 U.S.C. § 486), it is a crime to utter or pass, or attempt to utter or pass, any coins of gold or silver intended for use as current money except as authorized by law. According to the NORFED website, "Liberty merchants" are encouraged to accept NORFED "Liberty Dollar" medallions and offer them as change in sales transactions of merchandise or services. Further, NORFED tells "Liberty associates" that they can earn money by obtaining NORFED "Liberty Dollar" medallions at a discount and then can "spend [them] into circulation." Therefore, NORFED's "Liberty Dollar" medallions are specifically intended to be used as current money to limit reliance on, and to compete with, the circulating coinage of the United States. Consequently, prosecutors with the United States Department of Justice have concluded that the use of NORFED's "Liberty Dollar" medallions violates 18 U.S.C. § 486.

According to information from NORFED's website, you are listed as a "Regional Currency Officer" for NORFED and, as such, may be engaged in the distribution, passing, and uttering of "Liberty Dollar" coins. The purpose of this letter is to advise you that prosecutors with the Department of Justice have determined that such activities are a crime, in violation of 18 U.S.C. § 486.

Please refer to <http://www.usmint.gov/consumer/index.cfm?action=HotItems> for additional information.

Sincerely,

Daniel P. Shaver
Chief Counsel